

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.<sup>1</sup>  
-----X

:  
:  
:  
:  
:

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

AFFIDAVIT AND DISCLOSURE STATEMENT OF BRIAN N. SPECTOR,

ON BEHALF OF SCHNEIDER & ONOFRY, P.C.

STATE OF ARIZONA       )  
                                  ) s.s.:  
COUNTY OF MARICOPA   )

Brian N. Spector, being duly sworn, upon his oath, deposes and says as follows:

1. I am a partner of Schneider & Onofry, P.C., located at 365 E. Coronado Road, Phoenix, Arizona 85004 (the “**Firm**”).
2. Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), have

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

requested that the Firm provide legal services to the Debtors, and the Firm has consented to provide such services (the “**Services**”).

3. The Services include legal representation of Sears in connection with the Chapter 13 bankruptcy case filed by Daniel and Michelle Cappello pending in the U.S. Bankruptcy Court for the District of Arizona.

4. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors’ chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases. In addition, the Firm does not have any relationship with any such person, such person’s attorneys, or such person’s accountants that would be adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.

5. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than principals and regular employees of the Firm.

6. Neither I nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest materially adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.

7. As of the commencement of this chapter 11 case, the Debtors owed the Firm **\$47,184.68** in respect of prepetition services rendered to the Debtors, consisting of the following:

- i. Cappello matter in the amount of \$30,873.75;

- ii. Kish v. Sears in the amount of \$12,438.41;
- iii. Oakley v. K-Mart in the amount of \$87.50;
- iv. Peterson v. Sears in the amount of \$3,636.52;
- v. White v. Sears; Lancaster in the amount of \$2,526.62;
- vi. Terrell v. Sears in the amount of \$96.50
- vii. Wentz v. Sears in the amount of \$290.00;

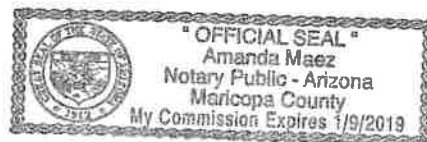
8. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of this inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Affidavit and Disclosure Statement was executed on December 10, 2018.

  
\_\_\_\_\_  
Brian N. Spector

SWORN TO AND SUBSCRIBED before  
Me this 10<sup>th</sup> day of December, 2018

  
\_\_\_\_\_  
Notary Public



**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	:
	:
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:
	:
	:
Debtors. <sup>1</sup>	:
-----X	

**Chapter 11**  
**Case No. 18-23538 (RDD)**  
**(Jointly Administered)**

**RETENTION QUESTIONNAIRE**

TO BE COMPLETED BY PROFESSIONALS EMPLOYED by Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”).

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of professional: Brian N. Spector, Schneider & Onofry, P.C.  
  
 (“S&O”), 365 E. Coronado Road, Phoenix, Arizona 85004.

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

2. Date of retention: Approximately May 9, 2018
3. Type of services to be provided: legal representation in connection with the Chapter 13 bankruptcy case filed by Daniel and Michelle Cappello pending in the U.S. Bankruptcy Court for the District of Arizona.
4. Brief description of services to be provided: litigation services in connection with the Chapter 13 bankruptcy case filed by Daniel and Michelle Cappello pending in the U.S. Bankruptcy Court for the District of Arizona (the "Cappello Matter").
5. Arrangements for compensation (hourly, contingent, etc.): hourly
  - (a) Average hourly rate (if applicable): \$350 per hour
  - (b) Estimated average monthly compensation based on prepetition retention (if company was employed prepetition): The monthly pre-petition invoices on this matter averaged \$6-7,000 per month, or which only a small amount was paid; but monthly invoices going forward are expected to be less than that.
6. Prepetition claims against the Debtors held by the company: S&O has a claim for legal services provided in the following matters as follows:

Invoice	Matter Name	Type	Date	Time	Cost	Total	Balance
98803	Kish v. Sears	Invoice	03/08/2018	3,701.00	3,500.00	7,201.00	7,201.00
102332	Kish v. Sears	Invoice	06/05/2018	774.00	0.00	774.00	7,975.00
102336	Kish v. Sears	Invoice	06/05/2018	547.50	0.00	547.50	8,522.50
102752	Kish v. Sears	Invoice	06/29/2018	236.00	138.83	374.83	8,897.33
104579	Kish v. Sears	Invoice	09/06/2018	575.00	0.00	575.00	9,762.33
106853	Kish v. Sears	Invoice	10/14/2018	183.50	262.96	446.46	12,683.41
		Applied					
106853	Kish v. Sears	Credit	10/14/2018	0.00	-245.00	-245.00	12,438.41
106855	Oakely v. Sears	Invoice	10/14/2018	87.50	0.00	87.50	12,525.91
106856	Peterson v. Sears	Invoice	10/14/2018	2,320.50	1,316.02	3,636.52	16,162.43
105987	Terrell v. Sears	Invoice	10/17/2018	0.00	96.50	96.50	12,236.95
104495	Wentz v. Sears	Invoice	08/24/2018	0.00	290.00	290.00	9,187.33
105557	White v. Sears	Invoice	10/05/2018	2,120.00	258.12	2,378.12	12,140.45

106857	White v. Lancaster	Invoice	10/14/2018	148.50	0.00	148.50	16,310.93
				<b>10,693.50</b>	<b>5,617.43</b>	<b>16,310.93</b>	
104175	Cappello	Invoice	08/06/2018	9,030.00	0.00	9,030.00	9,030.00
104910	Cappello	Invoice	09/18/2018	13,965.00	2.25	13,967.25	22,839.22
105880	Cappello	Invoice	10/08/2018	6,965.00	0.00	6,965.00	29,559.83
106815	Cappello	Invoice	10/14/2018	910.00	1.50	911.50	30,349.44
				<b>30,870.00</b>	<b>3.75</b>	<b>30,873.75</b>	
<b>Total</b>						<b>47,184.68</b>	

7. Prepetition claims against the Debtors held individually by any member, associate, or employee of the company: None other than the unpaid invoices noted above.

8. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates for the matters on which the professional is to be employed: None

9. Name and title of individual completing this form: Brian N. Spector

Dated: December 10, 2018.

